



PERÚ

Ministerio
del Ambiente

PERU

Early Idea

Carbon Fund

March, 2014

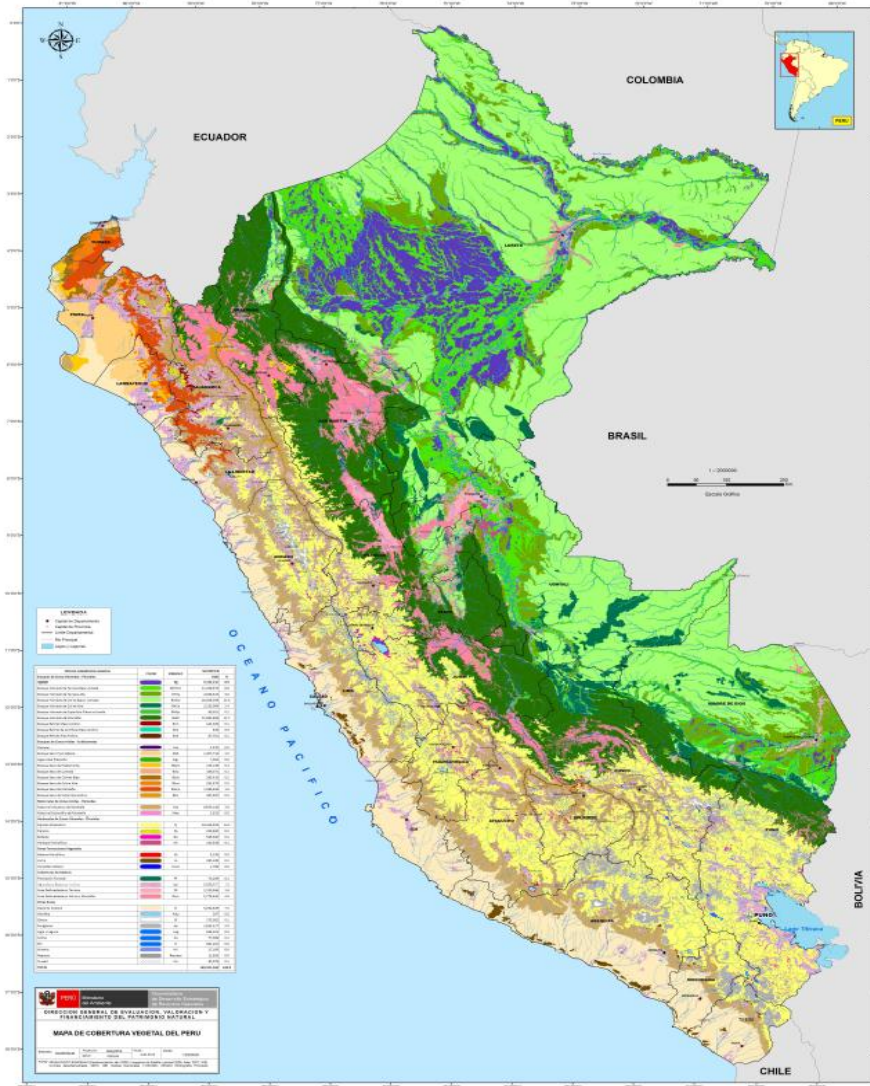
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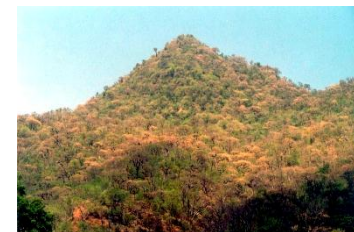
LEVEL OF AMBITION

FORESTRY CONTEXT

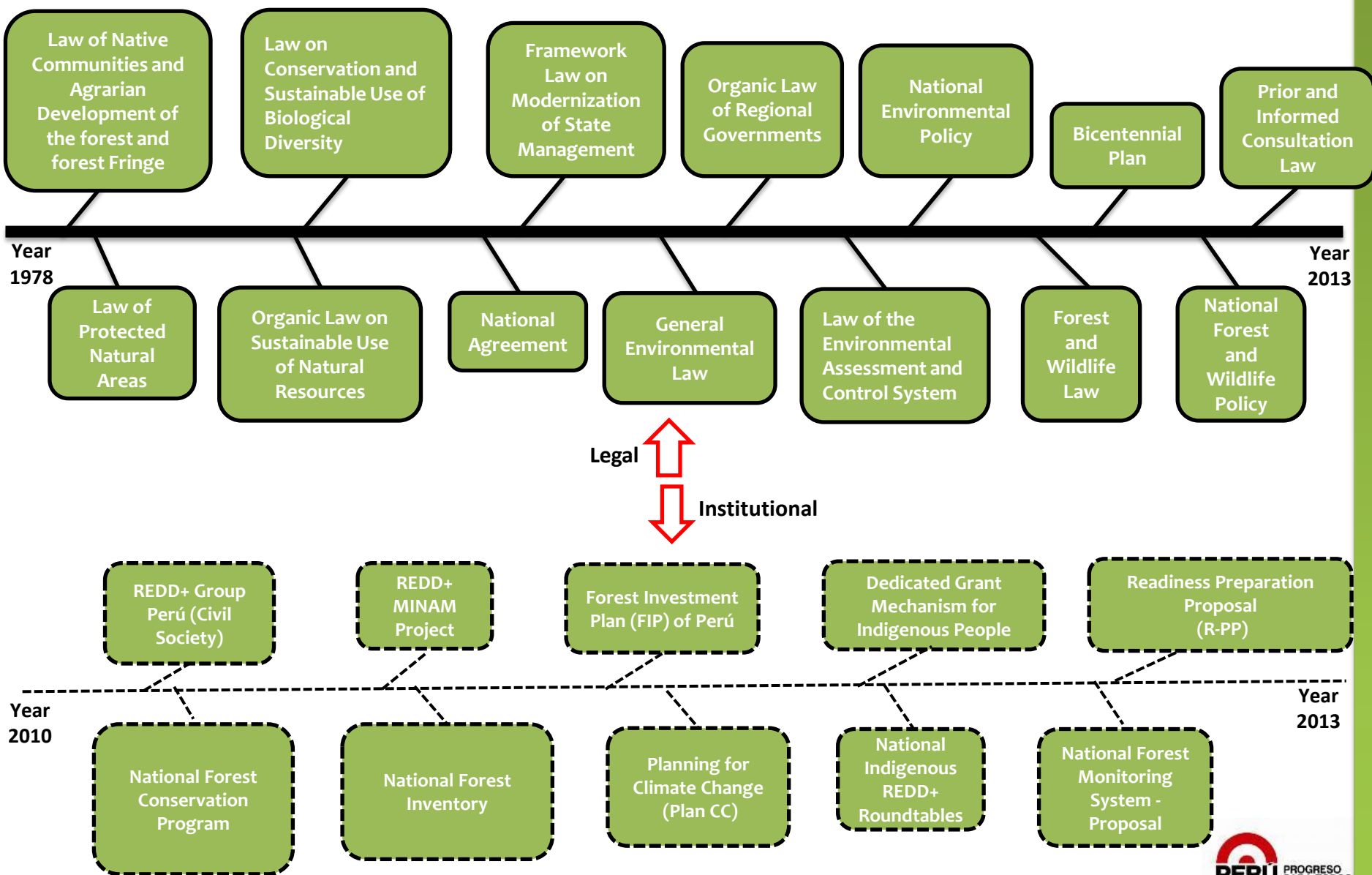
COVERAGE OF FOREST IN PERU



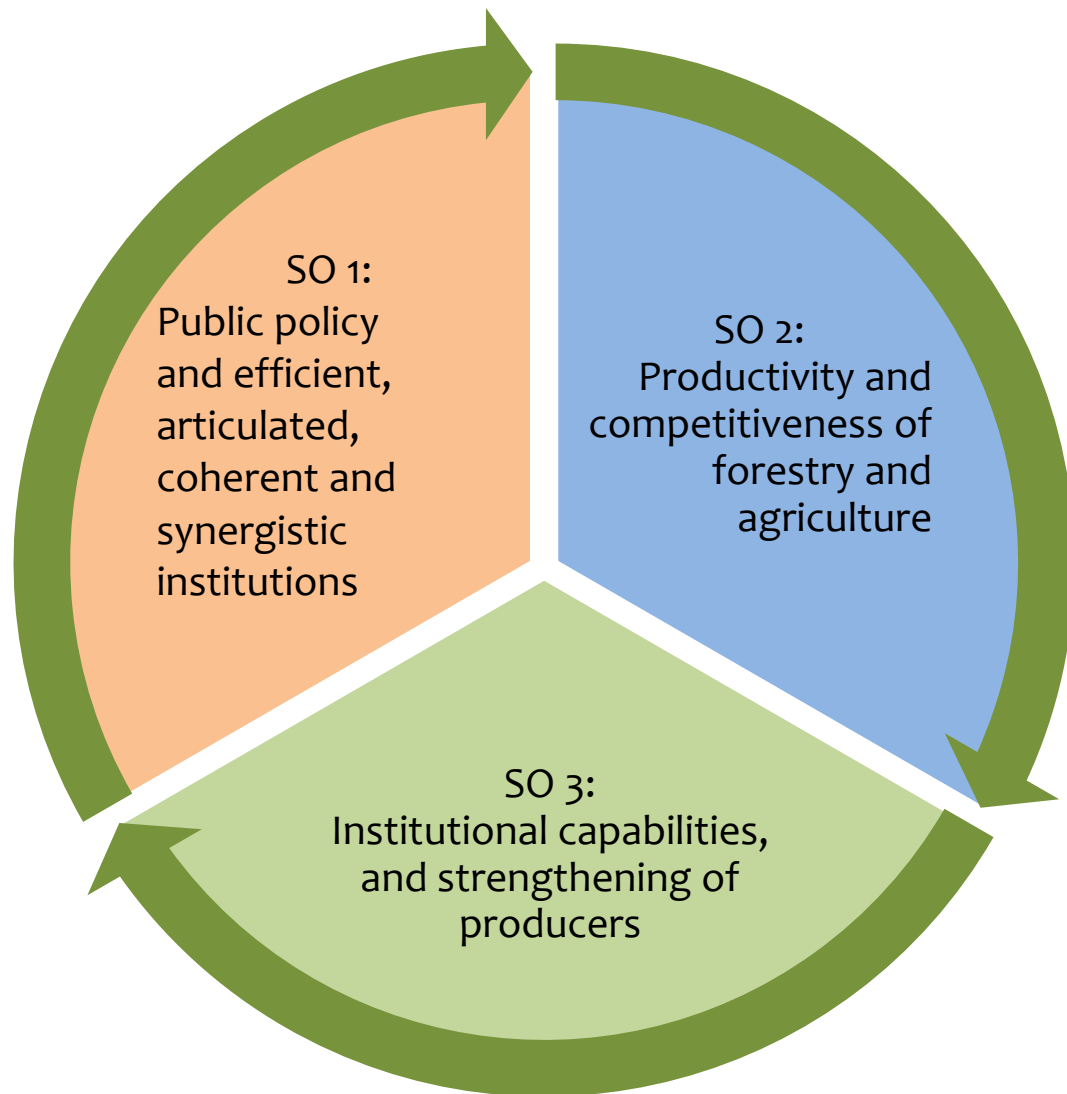
FOREST TYPES	HA	% NATIONAL SURFACE
Amazonian Rainforest	68,961,682	53.7
Dry forest	4,107,118	3.2
Andean relic forests	211,625	0.2
TOTAL	73,280,424	57.0



POLICY COMMITMENT: LEGAL FRAMEWORK



POLICY COMMITMENT: INSTITUTIONAL ARRANGEMENTS



INSTITUTIONS	SO 1	SO 2	SO 3
MINAM	X	X	X
MINAGRI	X	X	X
SERFOR	X	X	X
PNCBMCC	X	X	X
GR	X	X	X
GL	X	X	X
PCM	X		
OSINFOR	X		X
CEPLAN	X		
MEF	X		
AGRORURAL	X	X	X
INIA	X	X	X
SENASA	X	X	X
IIAP	X	X	
JCI	X	X	
ONGEI	X		
SUNARP	X		
OEFA	X		
MINCETUR		X	X
AGROBANCO			X
DEVIDA		X	
PRODUCE		X	
PROINVERSIÓN		X	
Otros	X	X	X

REDD+ ROADMAP

Key stakeholders: Regional governments, Indigenous organizations, NGO's, etc

R-PP

National Forest and Climate Change Strategy (ENBCC)

Readiness

Design

Implementation

Beyond National Forest and Climate Change Strategy

Document design

2014 – 2015: ENBCC implemented



**National Forest Conservation Program
PNCB**

FCPF

FIP

- R-PP “Completeness Check”: Feb 2014
- Grant Agreement signed: End of April 2014 (IDB-MINAM)

- Approval: October 30 - 2013
- Projects design: 2014 - 2015

REDD+ MINAM PROJECT (MOORE Y KFW)

- Advances in: Preparation of Reference Scenario, Carbon Map, MRV, Safeguards, benefits sharing.

UN-REDD+

- Supporting the design of the National Fund.
- Coordination with Indigenous Peoples Organizations

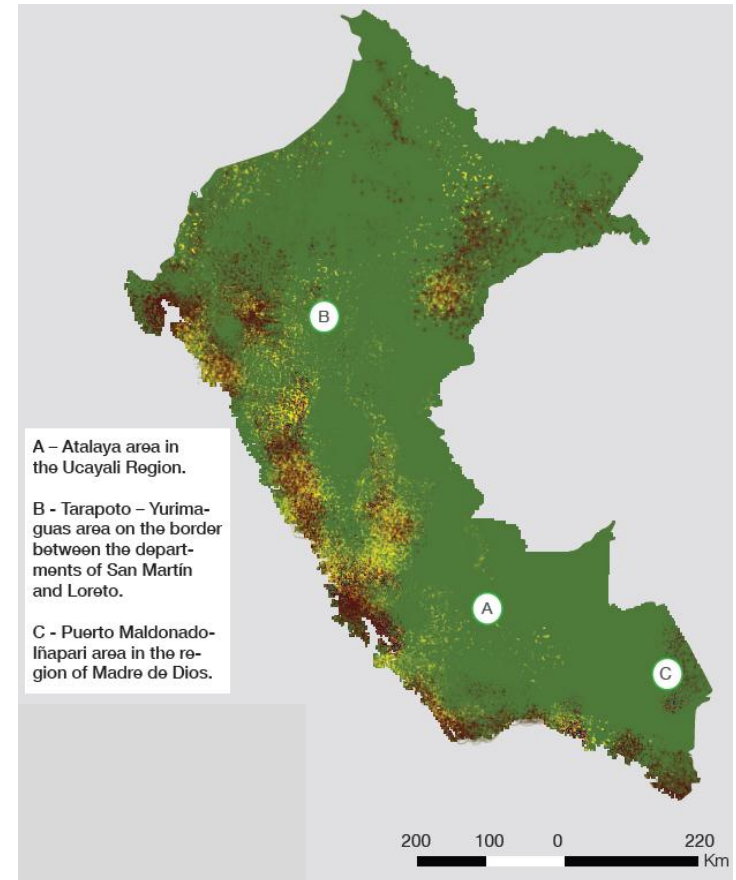
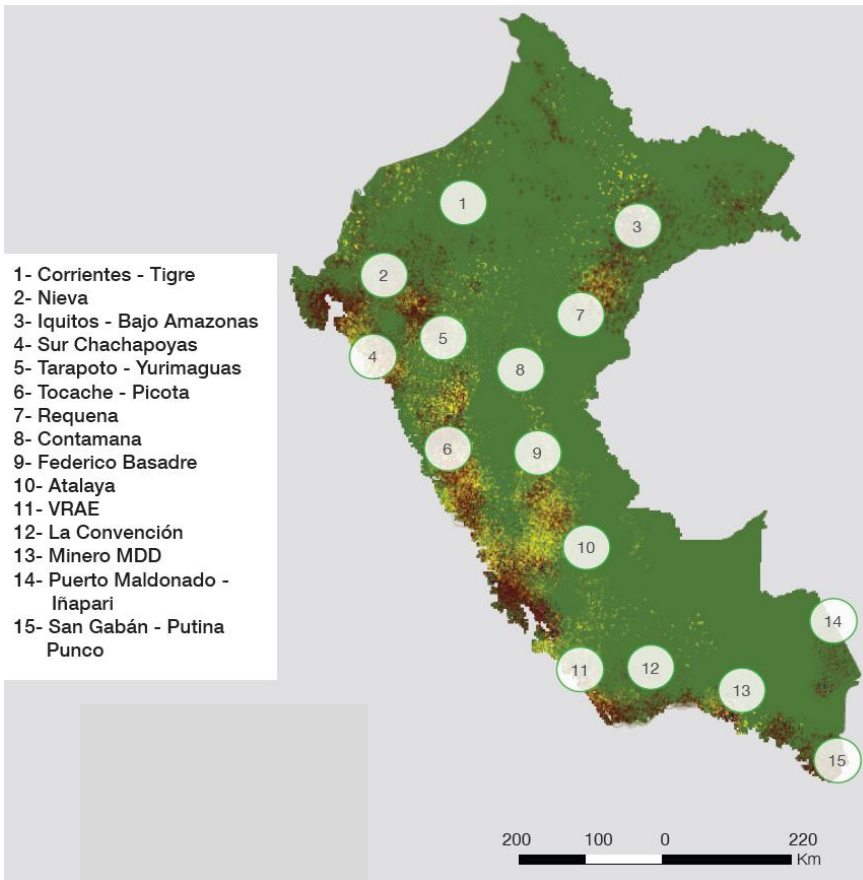
OTHER PROJECTS: JICA, GIZ...

DEFORESTATION FRONTS AND PRIORITIZED AREAS OF INTERVENTION IN THE PERUVIAN AMAZON

deforestation and degradation fronts



Location of the prioritized areas of intervention



DRIVERS OF DEFORESTATION

Areas of intervention	Direct drivers	Underlying causes
Tarapoto – Yurimaguas.	Shifting cultivation, industrial crops	Low value of the forest, weak governance, poor knowledge and capitalization producers, lack of land tenure
Atalaya	Illegal logging	Low value of the forest, weak governance, poor knowledge and capitalization producers
Madre de Dios	Illegal mining (not in the specific área of intervention), Shifting cultivation	Low value of the forest, weak governance, profitable illegal activities, lack of land tenure

SURFACE AREAS AND RATES OF DEFORESTATION

TARAPOTO-YURIMAGUAS Area	FORESTED AREA (ha)	ANNUAL DEFORESTATION RATE 2000-2010 (%)
TOTAL	1,204,910	0,64
Timber concessions	54,052	0,26
Conservation concession	3,464	0,30
Non-Timber concession	3,860	1,34
Native communities	251,211	0,34
ACR Cerro Escalera	147,995	0,14
Rural holdings	70,439	2,22
Forest areas without assigned forest rights	673,889	0,78

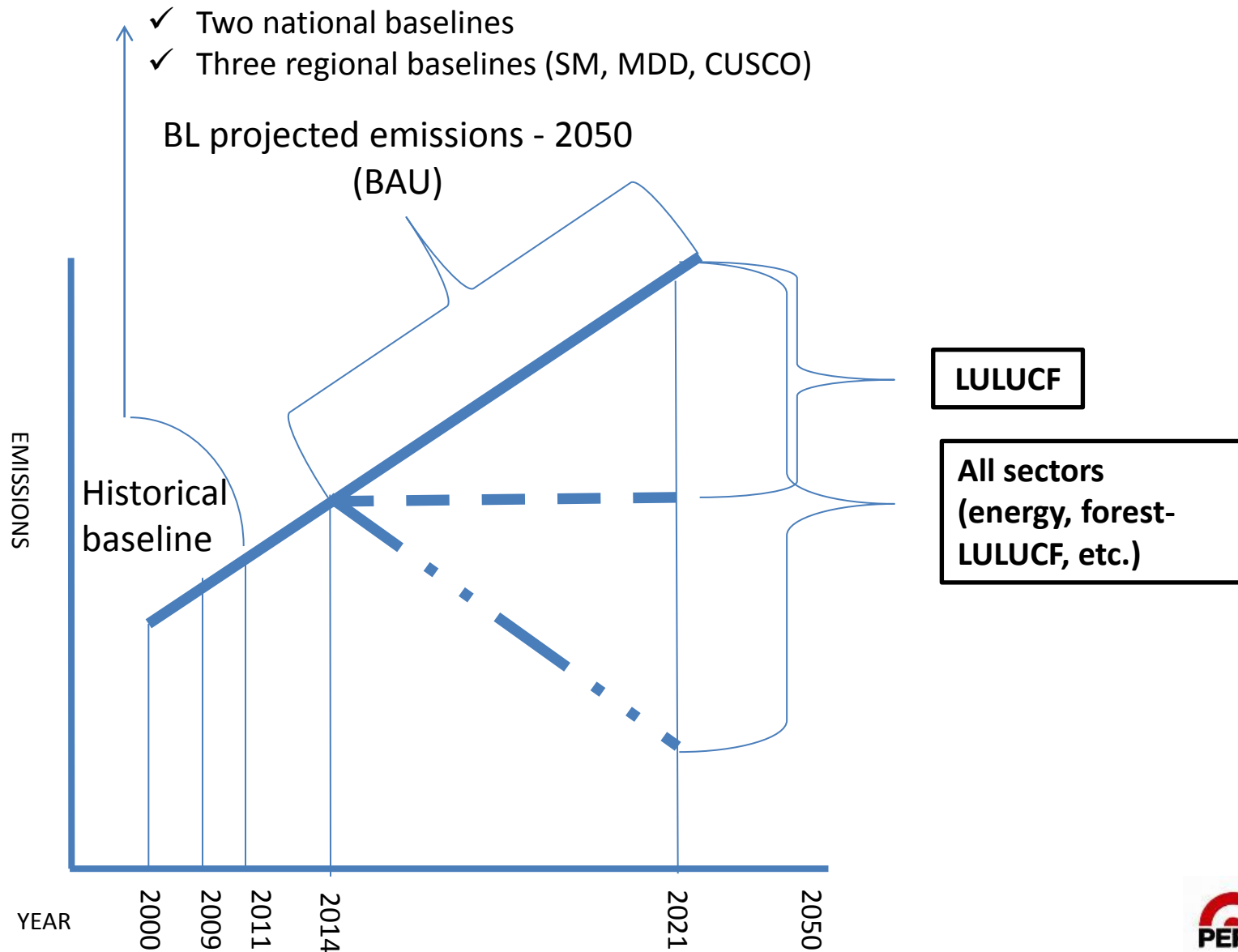
ATALAYA AREA	FORESTED AREA (ha)	ANNUAL DEFORESTATION RATE 2000-2010 (%)
TOTAL	1,235,074	0,05
Timber concessions	417,503	-0,07
Native communities	562,148	0,10
Rural holdings	12,141	0,55
Forest areas without assigned forest rights	243,282	0,11

MADRE DE DIOS AREA	FOREST LAND AREA (ha)	ANNUAL DEFORESTATION RATE 2000-2010 (%)
TOTAL	1,776,182	0,19
Native communities	78,350	0,08
Timber concessions	786,327	0,02
Reforestation concessions	260	0,23
Conservation concessions	16,782	0,01
Ecotourism concessions	14,191	0,18
Non timber concessions - Aguaje palms	926	0,03
Non timber concessions - Chestnut	552,435	Measurement-NFMS (in progress) Registry (on implementation)
Non timber concessions - Shiringa	18,024	0,39
Rural holdings	160,588	1,91
Forest areas without assigned forest rights	148,299	0,29



CARBON ACCOUNTING

PROJECTED EMISSIONS AND NATIONAL AND REGIONAL BASELINES

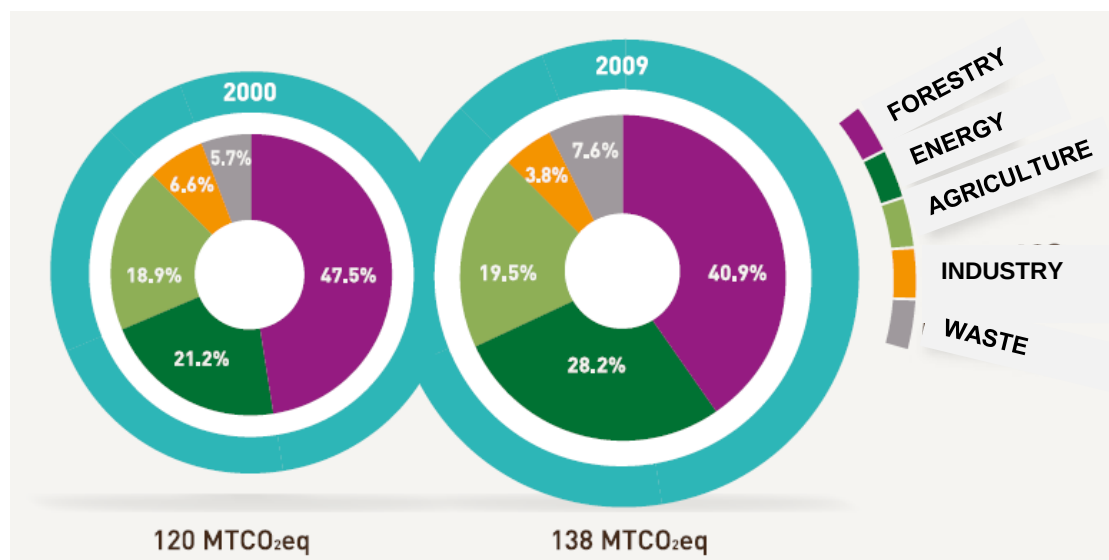


BASLINE CHARACTERISTICS AND INTERVENTIONS FOR CARBON ACCOUNTING

FACTORS	BASLINE	INTERVENTIONS
Measurement	Forest cover changes (ha), historical and forest trends	Natural forest, plantations, agroforestry and secondary forest (in progress)
Reference period	2000-2011; projected to 2050	2015-2021
Degradation	No	Yes (in progress)
Emission factors	IPCC data	“C” densities (in progress)
Sources of uncertainty	Secondary forest (on estimated emissions)	Sampling error
Risk of leakage		Planning, monitoring, control and surveillance. Budgetary policies against deforestation in local level
Risk of reversal		Markets and Price premiums for green commodities.
Measurement		Measurement-NFMS (in progress)
Registry		For ministerial approval and implementation
Verification		In design

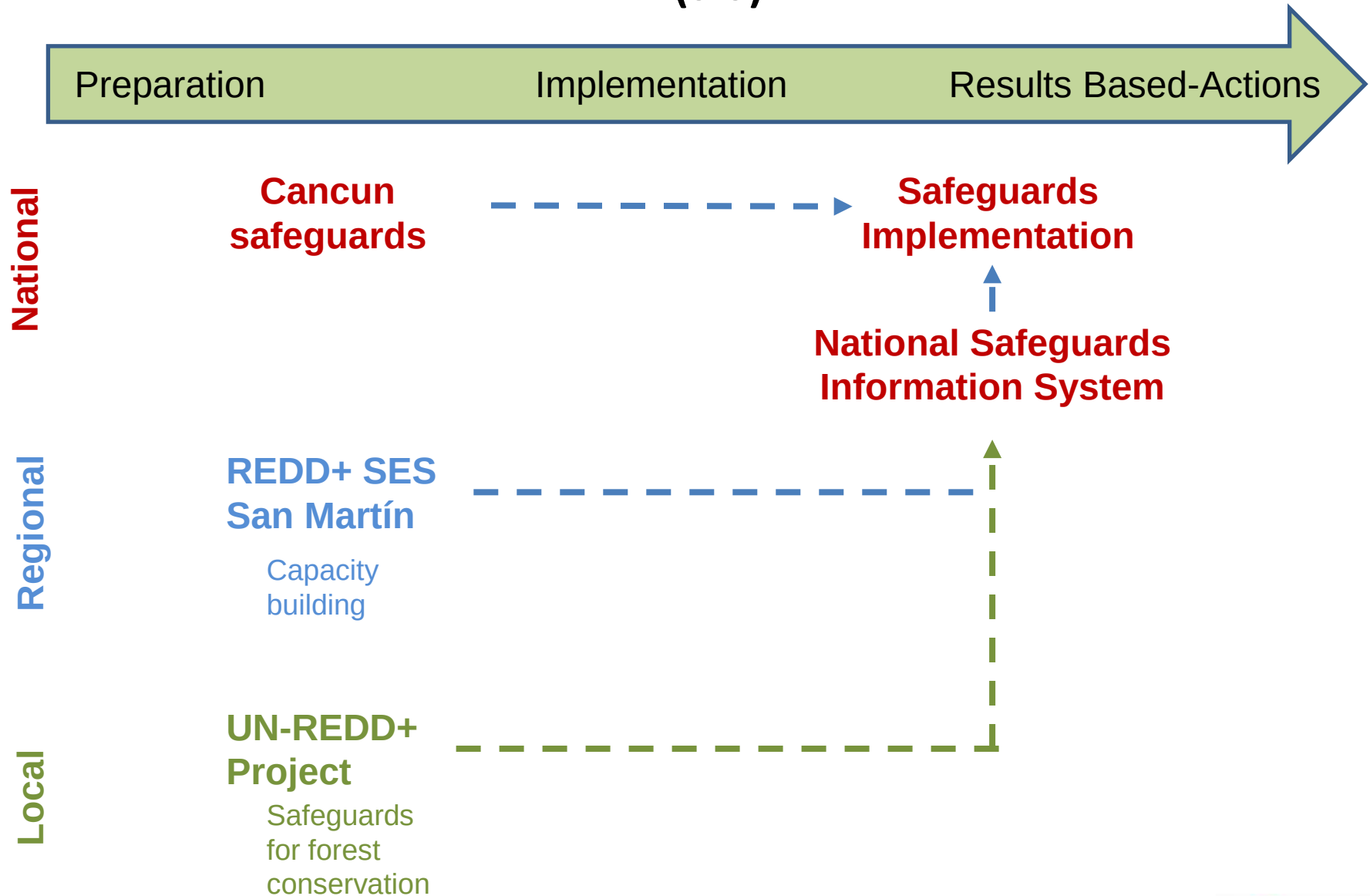
DEFORESTATION AND AVOIDED EMISSIONS

AREA	Forested Area (ha)	Annual deforestation rate 2000 -2010 (%)	Estimated FIP emission reductions in seven years (MTCO ₂)	CARBON FUND (CF)		
				Estimated emission reductions for the CF (MTCO ₂)	% of reductions (CF/FIP)	% emission reductions (CF/National LULUCF)
Tarapoto - Yurimaguas	1,204,910	0.64%	10.8	4.0	37.0%	4.8%
Atalaya	1,235,074	0.05%	7.0	3.0	42.9%	3.6%
Madre de Dios	1,776,182	0.19%	8.8	3.0	34.1%	3.6%
TOTAL	4,216,166		26.6	10.0	37.6%	12.0%



SAFEGUARDS

SAFEGUARDS INFORMATION SYSTEM (SIS)

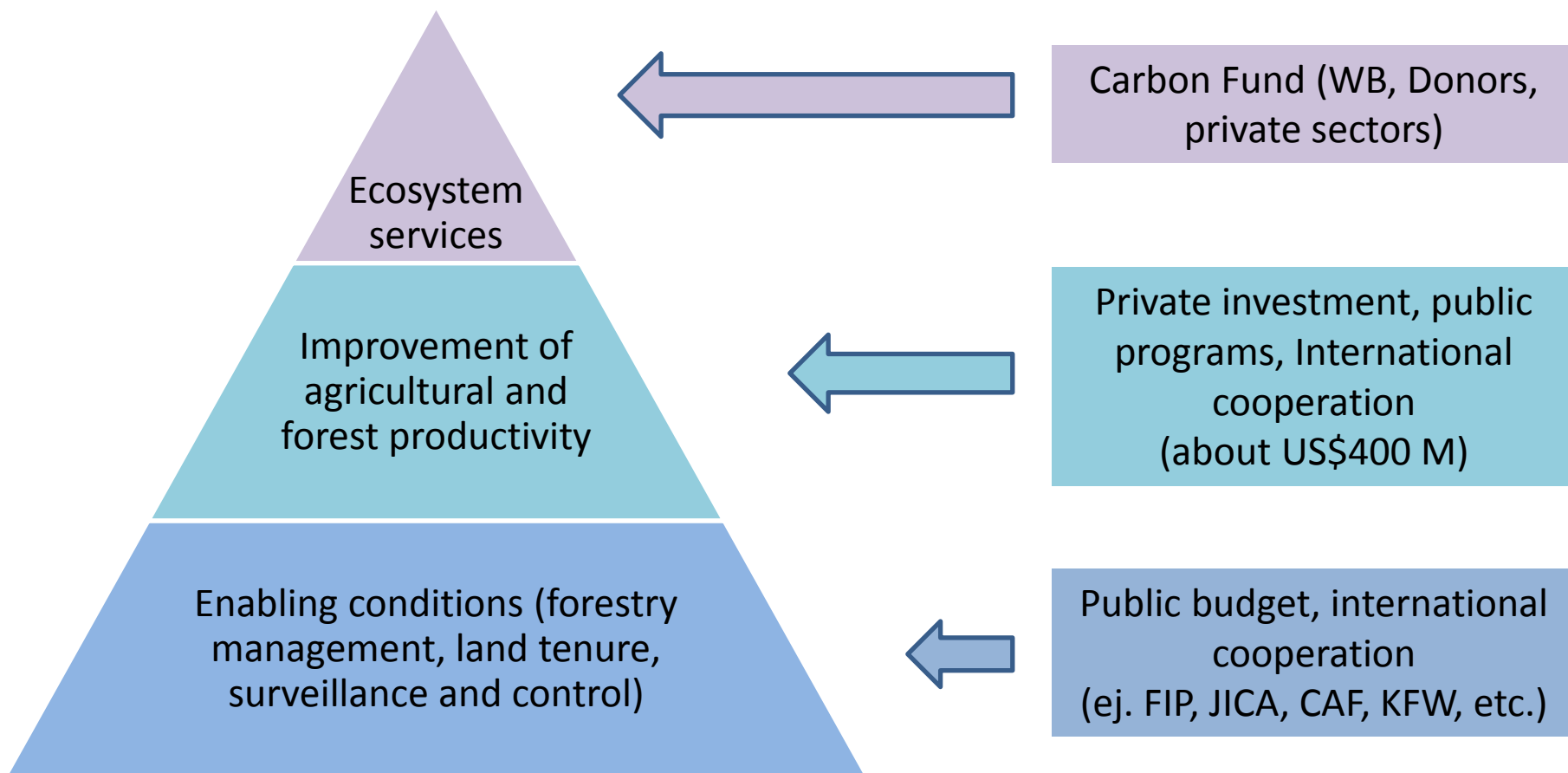


SUSTAINABLE PROGRAM DESIGN AND IMPLEMENTATION

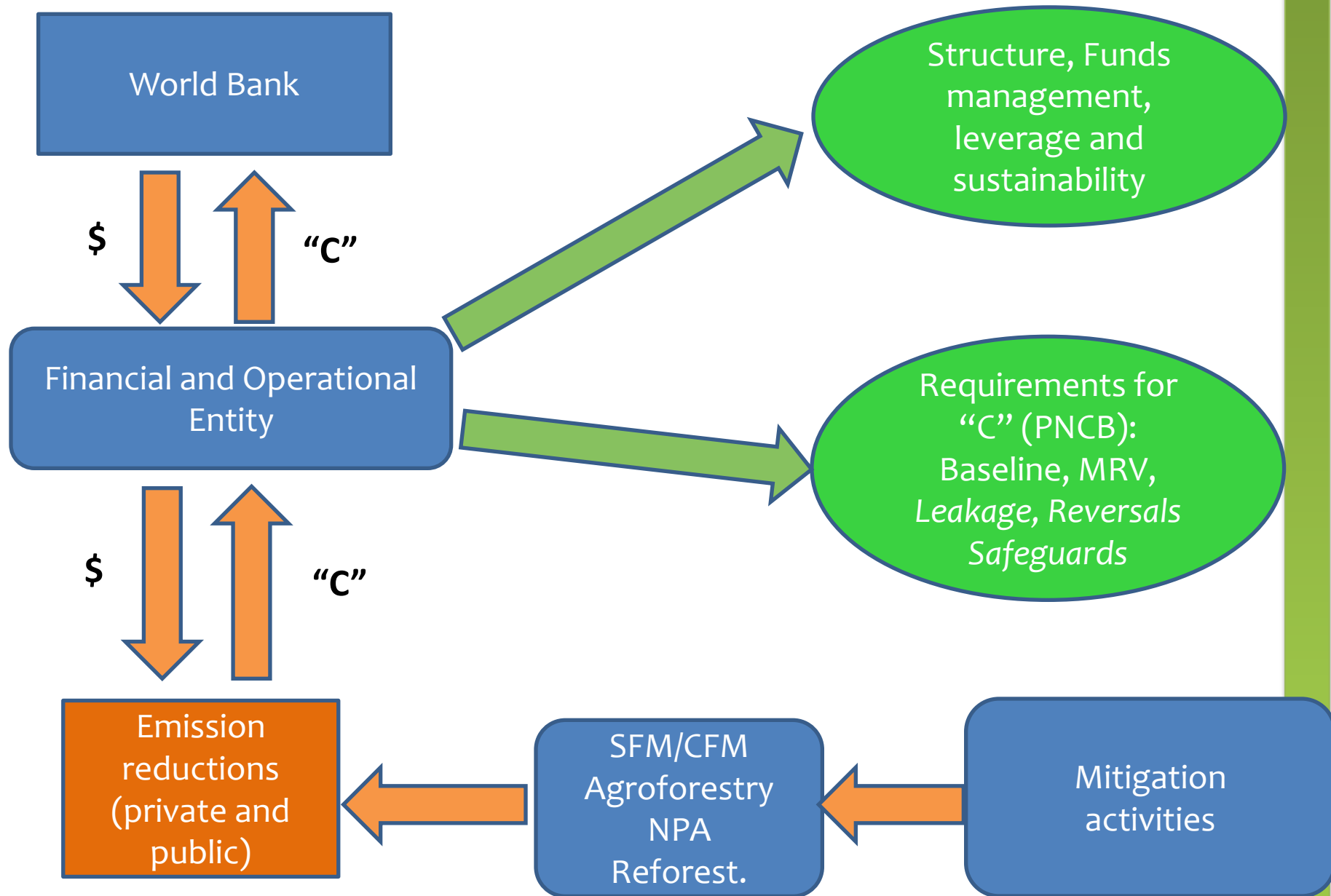
INTERVENTIONS

AREAS	INTERVENTIONS
Tarapoto- Yurimaguas	Consolidation of Protected Areas (PA), land management, monitoring, control and surveillance, incentives and technical assistance for agroforestry and reforestation systems, forest credit systems, land tenure.
Atalaya	Technical assistance y credit for Sustainable Forest Management (SFM) and Community Forest Management (CFM); policies for native communities; land management, monitoring, control and surveillance.
Madre de Dios	Consolidation of Protected Areas, land management, monitoring, control and surveillance, incentives and technical assistance for agroforestry and reforestation systems, forest credit systems, land tenure.

ACTIONS AND FUNDING FOR A GREEN ECONOMY



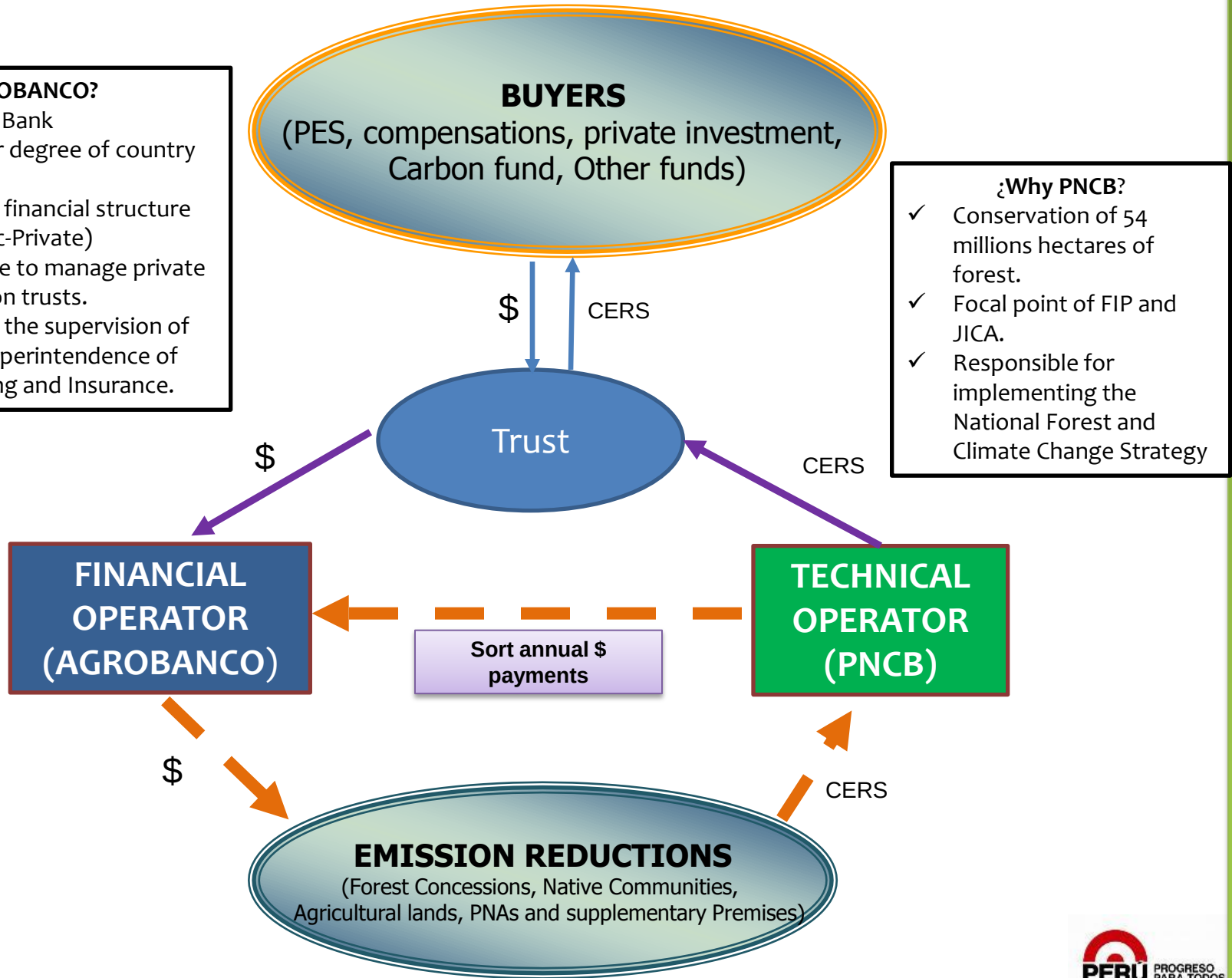
FUND IMPLEMENTATION



FUND IMPLEMENTATION

¿Why AGROBANCO?

- ✓ Public Bank
- ✓ Similar degree of country risk.
- ✓ Mixed financial structure (Public-Private)
- ✓ License to manage private pension trusts.
- ✓ Under the supervision of the Superintendence of Banking and Insurance.



¿Why PNCB?

- ✓ Conservation of 54 millions hectares of forest.
- ✓ Focal point of FIP and JICA.
- ✓ Responsible for implementing the National Forest and Climate Change Strategy

BENEFITS SHARING

- Key benefit sharing elements are defined in the legal framework (carbon rights), but also we are working on the design of channeling financial instrument.
- Transfer of rights to beneficiaries (transfer protocol). Monetary benefits shared between the jurisdiction and emission reductions generators as well as between national and local jurisdictions.
- In terms of jurisdiction, benefits finance the administration fund and enabling background conditions.
- In the three proposed areas there is consensus with indigenous organizations. Further discussion is needed with the other stakeholders.

CO-BENEFITS

- Reducing emissions contribute to greater national competitiveness in a low-emissions economy.
- Opportunities for "green commodities" that come from agroforestry and reforestation open.
- Reforestation gets productivity of degraded and abandoned lands.
- Increased employment and income for producers.
- Maintaining biodiversity in conservation areas and corridors consolidated within forest landscapes.
- Value learning to replicate elsewhere in the territory of the Peruvian Amazon.

PROGRAM TRANSACTIONS

SCOPE OF MINAM

- MINAM has the authority to sign ERPA.
- MINAM may authorize transfer of rights ERPA emission reductions and payments to generators ERPA reductions, respecting their rights.

REGISTRY OF TRANSACTIONS

- Mechanism for managing information from the establishment of an information platform on REDD initiatives as a first step in a process of designing a national registry of emissions reduction.
- Mechanisms to prevent double counting of emission reductions from registration under design, associated with the methodological framework and national carbon inventory and activity reports monitored by the authority.

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